

Department of Employee Trust Funds
LOCAL HEALTH INSURANCE ADMINISTRATION MANUAL

CHAPTER 9 — REHIRED ANNUITANTS

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901 Eligibility

A Wisconsin Retirement System (WRS) annuitant's return to non-WRS covered employment following retirement does not affect the WRS annuity or health insurance benefits, if any. Eligibility for this chapter assumes the annuitant has met the requirements of a minimum break in service as explained in Chapter 15 of the *WRS Administration Manual* (ET-1127).

Under the provisions of Wis. Stat. § 40.26 (1), a WRS annuitant returning to WRS eligible employment may elect to terminate the annuity and return to active WRS participation by completing a *Rehired Annuitant Election* (ET-2319). The retirement annuity terminates effective the first of the month following ETF's receipt of the *Rehired Annuitant Election*. Rehired annuitants electing to return to active WRS participation are immediately eligible to apply for health insurance coverage through the active employer (if the new employer participates in the Wisconsin Public Employers Group Health Insurance program).

A rehired annuitant electing to return to active WRS participation is only eligible for health insurance coverage through the active employer; there is no option to continue the group health insurance coverage they held as a WRS annuitant. An annuitant rehired by a WRS participating employer not offering health insurance to its employees will lose group health insurance coverage as an annuitant by electing to participate in the WRS. In other words, regardless of whether an employer participating in the Group Health Insurance program or not, an annuitant electing to return to active WRS coverage is no longer eligible for annuitant health coverage. Eligibility for annuitant health insurance is retained only when a rehired annuitant elects not to return to active WRS participation.

902 Coverage

Upon receipt of the *Rehired Annuitant Election* (ET-2319), ETF will determine the WRS participation begin date and notify both the annuitant and the employer. For an employee who was insured as an annuitant, health insurance coverage through the active employer becomes effective the day after the coverage as an annuitant lapses. ETF will assist the employer in determining when the employee should be added to active coverage on the monthly addition report. As premiums paid through the annuity are deducted two months in advance, insurance will be paid for two months beyond the annuity end date. A *Group Health Insurance Application* (ET-2301) electing coverage must be received by the employer within 30 days following the WRS participation begin

date. When the employee retires again, refer to Chapter 8, as the former annuitant is considered an active employee.

A rehired annuitant electing to return to active WRS participation but not electing to enroll in health insurance through the active employer ceases to be eligible for annuitant health coverage. However, Federal law (COBRA) provides that the employee has the right to continue coverage for a maximum of 36 months by paying the entire premium. ETF will notify the rehired annuitant of the right to continue prior coverage under COBRA law. Continuation coverage does not make the employee eligible to return to the prior group coverage when they again terminate employment and retire.

903 Disability Annuitants

A participant receiving a disability annuity cannot actively participate in the WRS until they are no longer eligible for the disability annuity (i.e., the participant is medically certified as no longer disabled). However, a WRS re-employed disability annuitant who has not reached normal retirement age (65, or age 53-54 for protective category employees) will have the disability annuity suspended if the individual earns more than a set "earnings limit" during a calendar year of employment. Eligibility for annuitant health and/or life insurance coverage continues during the period of annuity suspension.

A disability annuity will be terminated if it is determined that the re-employed disabled annuitant has recovered from their disability and is able to perform the duties of a gainful occupation. Following termination of the disability annuity, annuitant health insurance coverage ceases and, if in a WRS eligible position, the employee is immediately eligible for health insurance offered by their employer.

ETF notifies both the employee and the employer of the WRS coverage begin date, defined as the first of the month after the disability termination date. Employers are notified of their obligation to provide the employee with a *Group Health Insurance Application* (ET-2301), *Life Insurance Application/Cancellation/Refusal* (ET-2304) and/or *Income Continuation Insurance Application* (ET-2307). ETF will coordinate between ending annuitant coverage and beginning active coverage if the rehired annuitant elects coverage. New applications must be filed with the employer within 30 days after the date the employee resumes active status under WRS.